

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 332.68-acre, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Sig 6/5 Fed Com #611H** well, to be horizontally drilled from a surface location in Lot 5 of irregular Section 6 (SW/4 NW/4 equivalent), with a first take point in Lot 4 of irregular Section 6 (NW/4 NW/4 equivalent) and a last take point in Lot 1 of irregular Section 5 (NE/4 NE/4 equivalent).
3. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre, more or less, horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4 and the W/2 SE/4 of irregular Section 6, dedicated to Mewbourne's Ruger "6" Federal Com #3H (API: 30-015-37198);
- 160-acre, more or less, horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4 equivalent), SE/4 NE/4 and the E/2 SE/4 of irregular Section 6, dedicated to Mewbourne's Ruger "6" Federal Com #4H (API: 30-015-39686);
- 163-acre horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4 and the W/2 SE/4 of irregular Section 5, dedicated to Mewbourne's Colt "5" Federal #2H (API: 30-015-37170); and
- 40-acre, more or less, vertical well spacing unit comprised of Lot 3 (NE/4 NW/4 equivalent) of Section 5, dedicated to Mewbourne's Gatuna Canyon 5 Federal #3 (API: 30-015-34969).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of uncommitted mineral owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant as operator of this overlapping spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE _____: Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 332.68-acre, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lots 1-4 of irregular Sections 5 and 6 (N/2 N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Sig 6/5 Fed Com #611H** well, to be horizontally drilled from a surface location in Lot 5 of irregular Section 6 (SW/4 NW/4 equivalent), with a first take point in Lot 4 of irregular Section 6 (NW/4 NW/4 equivalent) and a last take point in Lot 1 of irregular Section 5 (NE/4 NE/4 equivalent). This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre, more or less, horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4 and the W/2 SE/4 of irregular Section 6, dedicated to Mewbourne's Ruger "6" Federal Com #3H (API: 30-015-37198);
- 160-acre, more or less, horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4 equivalent), SE/4 NE/4 and the E/2 SE/4 of irregular Section 6, dedicated to Mewbourne's Ruger "6" Federal Com #4H (API: 30-015-39686);
- 163-acre horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4 and the W/2 SE/4 of irregular Section 5, dedicated to Mewbourne's Colt "5" Federal #2H (API: 30-015-37170); and
- 40-acre, more or less, vertical well spacing unit comprised of Lot 3 (NE/4 NW/4 equivalent) of Section 5, dedicated to Mewbourne's Gatuna Canyon 5 Federal #3 (API: 30-015-34969).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles northeast of Carlsbad, New Mexico.